



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

ANDY DILLON  
STATE TREASURER

## ***MINUTES OF THE MEETING OF THE STATE TAX COMMISSION***

***Lansing Center, Governor's Room  
333 East Michigan Avenue  
Lansing, Michigan***

***Tuesday, June 11, 2013  
9:00 a.m.***

***PRESENT: Douglas B. Roberts, Chair STC  
Robert H. Naftaly, Member STC  
Barry S. Simon, Member STC  
  
Kelli Sobel, Executive Secretary  
LaNiece Densteadt, Recording Secretary***

**The item numbers referred to in the minutes correspond to the agenda items as numbered.**

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the minutes of June 4, 2013. (Item 1 on agenda)

The agenda was amended to add a closed session after public comment.

Executive Secretary Sobel addressed the Commission regarding a few issues concerning the State Assessed Appeals Meeting on June 4, 2013. Ms. Sobel stated the following: The Act was changed in 2006 so that the Telephone Companies were to be assessed as are all other companies. Before the act was changed we used to assess the telephone companies using a modified income/cost approach; therefore because the act was changed, we cannot go back to an income/cost approach. We did take steps this year as well as the past few years to recognize obsolescence. First, we made significant changes in the way fiber is addressed. We identify now fiber set aside for future use, fiber that they are using, and dark fiber which they are acknowledging will never be used. We provided twenty percent obsolescence on fiber set aside for future years and fifty percent on dark fiber. Then in February of this year we met with a few of the companies and discussed other obsolescence issues. Because of the information they provided we did make changes to Tables I and H, which I know came up in a couple of the appeals. We also provided everyone an additional ten percent obsolescence this year with the understanding that we would take a look at it and study the issue over the next year and look at all the information that we have been provided and see if we

need to recommend additional changes to the tables and / or additional obsolescence to be recognized in future years.

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the Final 2013 State-Assessed Roll with the following values and no other changes were made: (Item 2 on agenda)

#### Railroad Companies

Final True Cash Value	\$ 1,769,650,454
Final Assessed Cash Value	\$ 884,825,227
Final Capped Value	\$ 571,589,332
Final Taxable Value	\$ 561,349,397

#### Telephone and Telegraph Companies

Final True Cash Value	\$ 2,866,065,798
Final Assessed Cash Value	\$ 1,433,032,899
Final Capped Value	\$ 1,652,301,733
Final Taxable Value	\$ 1,433,032,899

#### Car Loaning Companies

Final True Cash Value	\$ 157,932,502
Final Assessed Cash Value	\$ 78,966,251
Final Capped Value	\$ 79,079,522
Final Taxable Value	\$ 78,966,251

#### Total Utility Roll

Final True Cash Value	\$ 4,793,648,754
Final Assessed Cash Value	\$ 2,396,824,377
Final Capped Value	\$ 2,302,970,587
Final Taxable Value	\$ 2,073,348,547

Staff explained changes that were necessary to the calculation of values for DNR PILT property due to legislative changes at the end of 2012. It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the 2013 valuations for the 2013 DNR PILT Master List (Tax Roll). The Commission also approved to order all assessors to make relevant changes to the value of affected parcels on their 2013 assessment rolls. (Item 3 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved Bulletin 8 of 2013 DNR PILT Property. (Item 4 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved the revised Board of Review Question and Answer Document. (Item 5 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved the revised Transfer of Ownership Question and Answer Document. (Item 6 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the official orders to certify the 2010 and 2011 assessment rolls for Greenwood Township, St. Clair County. (Item 7 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the official order to return jurisdiction of the 2011 assessment roll for the City of Harrison, Clare County. (Item 8 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved the updated Form 4863 Real Property Statement for Commercial, Industrial and Apartment Properties. (Item 9 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved the staff recommendation to modify the prior determination on the 2011 Classification Appeal for New Covert Generating and indicate that only the turbines should be moved to a new personal property parcel. (Item 10 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved the following recommendations from Executive Secretary Sobel regarding the Equalization Process. 1) The Commission will notify Assessing Officers and Equalization Directors that they will not order the use of single year studies for the 2014 year. 2) The Commission will ask the Department of Treasury to complete a detailed review of Wayne County for the 2014 Equalization. The Commission also requested that ACD staff report by September 1, 2013 on any counties they believe should undergo an extensive equalization review for 2014. 3) The Commission will revise the 4030 Report of Equalization to ensure that the form is collecting all relevant information that is important in order to properly finalize the annual equalization process in accordance with the statutory responsibility. 4) The Commission will ask ACD staff to provide detailed information on what level of review they will conduct in each County and how they make their determination on what review they will do. 5) The Commission will determine the "tolerance" level that is an acceptable deviation between ACD staff review and County Equalization developed studies. Tolerance levels will be set for each classification of property. (Item 11 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the staff recommendation on the Special Exemptions Agenda. (Item 12 on agenda) ([See attached link for file identification.](#))

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the staff recommendation on the Exemptions Agenda. (Item 13 on agenda) ([See attached link for file identification.](#))

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the MCL 211.154 **Concurrences**. (Item 14 on agenda) ([See attached link for file identification](#))

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the MCL 211.154 **Special Items Agenda**. (Item 15 on agenda) ([See attached link for file identification](#))

It was moved by Naftaly, supported by Simon, and unanimously approved to **postpone** the following MCL 211.154 petitions until **August 27, 2013**. (Item 16 on agenda)

**City of River Rouge, Wayne County**

**154-13-0076** PCI ENTERPRISES; 50-999-00-0630-000; PERSONAL PROPERTY

2011 AV from \$ 8,477,500 to \$ 9,469,228 TV from \$ 8,477,500 to \$ 9,469,228  
2012 AV from \$ 8,506,200 to \$ 9,394,315 TV from \$ 8,506,200 to \$ 9,394,315

It was moved by Naftaly, supported by Simon, and unanimously approved to **amend** the following MCL 211.154 petitions. (Item 16 on agenda)

**Charleston Township, Kalamazoo County**

**154-13-0005** KALAMAZOO SOLAR LLC; 3908-90-100-185; REAL PROPERTY

2011 AV from \$ 0 to \$ 295,148 TV from \$ 0 to \$ 295,148  
2012 AV from \$ 0 to \$ 251,566 TV from \$ 0 to \$ 251,566

It was moved by Naftaly, supported by Simon, and unanimously approved to **deny** the following MCL 211.154 petitions. (Item 16 on agenda)

**City of Southfield, Oakland County**

**154-13-0094** TTERTT ASSOCIATES LLC; 76-24-22-276-018; REAL PROPERTY

2011 AV from \$ 8,966,780 to \$ 12,281,300 TV from \$ 4,562,770 to \$ 7,877,290  
2012 AV from \$ 7,891,170 to \$ 12,399,120 TV from \$ 4,685,960 to \$ 8,069,530

It was moved by Naftaly, supported by Simon, and unanimously approved to allow the **withdrawal** of the following MCL 211.154 petitions. (Item 16 on agenda)

**City of Marshall, Calhoun County**

**154-13-0084** CASH STORE #916; 13-53-300-005-23; PERSONAL PROPERTY

2013 AV from \$ 10,800 to \$ 7,600 TV from \$ 10,800 to \$ 7,600

**City of Southfield, Oakland County**

**154-13-0094** TTERTT ASSOCIATES LLC; 76-24-22-276-018; REAL PROPERTY

2010 AV from \$ 11,185,280 to \$ 15,259,370 TV from \$ 4,486,500 to \$ 8,560,590

**City of Grosse Pt. Woods, Wayne County**

**154-12-1479 LOCHMOOR CLUB; 82-40-999-85-01018-02; PERSONAL PROPERTY**

2010 AV from \$ 1,029,500 to \$ 638,305 TV from \$ 1,029,500 to \$ 638,305

2011 AV from \$ 1,049,400 to \$ 655,624 TV from \$ 1,049,400 to \$ 655,624

It was moved by Naftaly, supported by Simon, and unanimously approved the following MCL 211.154 petitions as **concurrences**, initially noticed as non-concurrences. (Item 16 on agenda)

**City of Albion, Calhoun County**

**154-13-0080 BISSELL RENTAL LLC; 13-51-313-048-00; PERSONAL PROPERTY**

2013 AV from \$ 0 to \$ 700 TV from \$ 0 to \$ 700

**City of Marshall, Calhoun County**

**154-13-0083 AMERICAN PACKAGING CAPITAL; 13-53-313-052-00; Personal Property**

2013 AV from \$ 800 to \$ 0 TV from \$ 800 to \$ 0

**154-13-0085 BISSELL RENTAL LLC; 13-53-313-085-00; PERSONAL PROPERTY**

2013 AV from \$ 0 to \$ 700 TV from \$ 0 to \$ 700

**City of East Tawas, Iosco County**

**154-13-0089 BRIAN FAULSTICH; 122-900-000-452-00; PERSONAL PROPERTY**

2013 AV from \$ 1,700 to \$ 8,600 TV from \$ 1,700 to \$ 8,600

**Howell Township, Livingston County**

**154-13-0092 EDMUND HAUCK (HOWELL AVIATION); 4706-28-200-044; Real Property**

2011 AV from \$ 0 to \$ 97,300 TV from \$ 0 to \$ 97,300

2012 AV from \$ 0 to \$ 97,300 TV from \$ 0 to \$ 97,300

**City of Farmington Hills, Oakland County**

**154-13-0106 BISSELL RENTAL LLC; 22-99-00-043-021; PERSONAL PROPERTY**

2013 AV from \$ 0 to \$ 700 TV from \$ 0 to \$ 700

**154-13-0109 MOBIS NORTH AMERICA LLC; 22-99-49-232-552; PERSONAL PROPERTY**

2013 AV from \$ 401,690 to \$ 467,210 TV from \$ 401,690 to \$ 467,210

**City of Farmington Hills, Oakland County**

**154-13-0110** FROST & SULLIVAN; 22-99-62-370-011; PERSONAL PROPERTY

2013 AV from \$ 0 to \$ 1,690 TV from \$ 0 to \$ 1,690

**City of Novi, Oakland County**

**154-12-1301** HORIZON ENGINEERING ASSOCIATES; 50-99-00-007-028; Personal Property

2012 AV from \$ 4,240 to \$ 14,950 TV from \$ 4,240 to \$ 14,950

**City of Belleville, Wayne County**

**154-11-2250** JOHNNY'S GRILL; 31-999-00-1001-012; PERSONAL PROPERTY

2009 AV from \$ 0 to \$ 70,400 TV from \$ 0 to \$ 70,400

2010 AV from \$ 0 to \$ 64,600 TV from \$ 0 to \$ 64,600

2011 AV from \$ 0 to \$ 60,300 TV from \$ 0 to \$ 60,300

**City of Dearborn Heights, Wayne County**

**154-12-1454** YALDO EYE CENTERS, PC; 82-33-999-00-1647-397; PERSONAL PROPERTY

2012 AV from \$ 68,460 to \$ 178,300 TV from \$ 68,460 to \$ 178,300

**City of Detroit, Wayne County**

**154-12-1459** PPG INDUSTRIES, INC.; 22030895-7; REAL PROPERTY

2010 AV from \$ 418,832 to \$ 125,000 TV from \$ 368,676 to \$ 125,000

2011 AV from \$ 418,832 to \$ 125,000 TV from \$ 362,514 to \$ 125,000

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt all other MCL 211.154 petitions. ([See attached link for file identification.](#)) (Item 16 on agenda)

Public Comment (Item 9 on agenda): No member of the public wished to comment.

It was moved by Naftaly, supported by Simon, to go into closed session to discuss legal issues. Roll Call Vote: Chairperson Roberts – Yes, Commissioner Naftaly – Yes, Commissioner Simon – Yes. The motion was unanimously approved.

It was moved by Naftaly, supported by Simon, and unanimously approved to return to open session. Roll Call Vote: Chairperson Roberts – Yes, Commissioners Naftaly – Yes, Commissioner Simon – Yes. The motion was unanimously approved.

It was moved by Naftaly, supported by Simon, and unanimously approved to authorize staff to take necessary steps to settle the Soo Line Railroad case for 2011 and 2012. (Add on to agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to authorize staff to work with the Attorney General on the Warbritton Farms case to determine if an appeal should be filed in the Court of Appeals. (Add on to agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to authorize staff to reinstate the certificate for Ford Motor Company – Allen Park, after the 21 day appeal period has expired and if no appeal is made and/or no stay is issued by the Court. (Add on to agenda)

The next Commission meeting will be held August 27, 2013 at the Lansing Center in Room 201, 333 East Michigan Avenue, Lansing.

It was moved by Roberts, supported by Naftaly, and unanimously approved to adjourn the meeting of the State Tax Commission at 11:00 a.m.

**DATE TYPED:** June 11, 2013

**DATE APPROVED:** August 27, 2013

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**Douglas B. Roberts, Chair  
State Tax Commission**

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**Robert H. Naftaly, Member  
State Tax Commission**

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**Barry N. Simon, Member  
State Tax Commission**